

प्रसाघारण

EXTRAORDINARY

भाग [-- लण्ड 1

PART I—Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह ग्रलग संकलन के रूप में रखा जा सके। Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 19th March 1968

Subject: —Issue of import licences to established importers against the fifth U.K. Kipping Loan.

No. 44-ITC(PN)/68.—Attention is invited to the Ministry of Commerce Public Notice No. 1-ITC(PN)/68, dated the 1st January, 1968 on the above subject. The terms and conditions which will be applicable to the licences issued against the above mentioned loan are given in Annexure II to the Public Notice mentioned above.

2. The revised schedule of conditions to be attached to the import licences issued under the U.K. Kipping Loan of £ 5 million (UK/India Non-Project Loan 1967) is published for the information of trade

UK/INDIA NON-PROJECT LOAN-1967

(Fifth Kipping Loan—£ 5 Mill.)

- 1. The licence is issued with an initial validity period of twelve months only, and can be revalidated only on the basis indicated under conditions 2 below.
- 2. Ordering—Firm orders for the full value of the licence must be placed on the suppliers in the United Kingdom, the Channel Islands or the Isle of Man within three months from the date of issue of the import licence.

The licence may be submitted to the Chief Controller of Imports and Exports for revalidation only after firm orders for the full value have been placed and on the basis of dates of delivery (Shipment) of goods indicated by the supplier.

- 3. Special points to be looked into while placing orders.
- (1) Organ of Goods.—While placing firm orders, the licensee must ensure by a provision in the contract that the goods purchased are or will be wholly produced or manufactured in the United Kingdom, the Channel Islands or the Isle of Man. Where the contract also provides for works and Services, in connection with the purchase of such goods, it must be ensured by a suitable provision in the contract that such works and services are or will be provided by persons ordinarily resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man.

Note:—If, in any case, contract is placed on the Indian Agent of the foreign supplier the contract with the Agent should indicate the name and address of the U.K. Supplier to whom payments would be made by the C.A.O. London directly out of U.K. Credit. In such cases only the sterling portion of the contract will qualify for payment out of U.K. Credit. Copies of such contracts (or of contracts placed by Indian Agents with U.K. Supplier if there are such separate contracts) should be sent to the Ministry of Finance, in the manner indicated in para 5 below:—

(2) Payments—Payments to the U.K., Channel Islands or Isle of Man suppliers against the import licence are to be effected in sterling, directly out of the U.K. Credit, through the Chief Accounting Officer, High Commission of India in London. The licence will not therefore, be valid for making remittance to the supplier from India. The licensee should therefore, mention in the contract that payments to the U.K., Channel Islands or Isle of Man contractor are intended to be made in sterling, out of the U.K. Credit by production by the licensee of the documents prescribed in para 6 below to the Chief Accounting Officer, High Commission of India in London.

A clause should be included in the contract to the effect that the contract is subject to and will become effective with the approval of the Ministry of Overseas Development of the U.K. Government to the payments being met out of the U.K. Credit.

(3) Bank Guarantee—While placing orders, and where the suppliers require, the importers may furnish suitable Bank Guarantees to their suppliers. See the concluding sub-paragraph of para 7(2) on page 5 and the Bank Garantee form in Appendix IV.

All payments must be completed by 30th June 1969.

4 Report on Ordering:—Within a week of the placing of contract, a report, in triplicate, should be sent by the licensee to the Economic Aid Accounts Section (Shri P. C. Jain) Ministry of Finance, Jeewan Deep Building, Parliament Street, New Delhi with a copy to the Ministry of Industrial Development and Company Affairs (Deptt of Industrial Development, Foreign Exchange Section), Udyog Bhavan, New Delhi, IN THE FORM set out in APPENDIX I to these conditions, duly signed.

5. Notification of contracts and amendments thereto.—Within a fortnight of placing of contracts, and in any event sufficiently in advance of the expected date of delivery of the goods, the licensce should forward (including their complete address) 3 (Three) copies of the contract to the Economic Aid Accounts Branch (Sbri P C. Jain, Asstt. Accounts Officer). Deptt. of Economic Affairs, Ministry of Finance, Jeewan Deep Building, Parliament Street New Delhi accompained by 3 copies of the "Contract Certificate" from the U. K. Channel Islands or Isle of Man Contractor IN THE FORM ATTACHED (APPENDIX II) duly signed by him. The Deptt. of Economic Affairs in the Ministry of Finance will arrange through the Chief Accounting Officer High Commission of India in London to file a copy of the same with the Ministry of Overseas Development of the U.K. Government for obtaining their approval to the payments under the contract being made out of the U.K. Credit As soon as possible after the approval of the U.K. Government to the contract is obtained or, in case, such approval is not granted by U. K. Government the Licensce and also the U.K. Supplier will be informed of the same directly by the Chief Accounting Officer High Commission of India London, and no further advice of contract approval/rejection will be issued by the Economic Affairs Deptt of the Ministry of Finance

The contract as accepted by the Ministry of Overseas Development of U. K. Government will then be eligible for Direct payments out of the Credit. As no payments can be made unless the contract is approved by the U. K. Government, it is most imperative for the licensee to ensure that copies of contracts/notifications alongwith suppliers* "Contract Certificate" are forwarded to the Ministry of Finance at the earliest and in any case, well in advance of the initial rayment For this purpose, the "Contract Certificate" should be arranged to be obtained from the Suppliers promptly at the time of acceptance of each contract

If at any time a contract (being a contract in respect of which approval of U.K. Govt., has been obtained or is pending) is amended, or if Hability is incurred or is to be incurred thereunder to a greater or lesser amount than the amount specified in the "Contract Certificates", the licensee should promptly forward to the Economic Aid Accounts Section of the Department of Economic Affairs in the Ministry of Finance the relevant supplementary or revised documents—cooles of amendments to contracts and revised "Contract Certificates"—so as to enable them to notify the same to the U.K. Govt. for obtaining their approval. Notifications of such amendments is very important, because the U.K. Govt. will make payments under a contract from time to time, only to the extent the contract has been approved by them

As soon as approval to an amendment to the contract/order is obtained from the U.K. Govt., the importer will be notified of the same in the same manner as was done for the contract

Important Note.—While forwarding the above documents to the Ministry of Finance it must be ensured that the complete number of the relative import licence including the suffix "K Q(67)" is clearly indicated on each document

- 6. Documentation.—As and when payments to the UK., Channel Islands or Isle of Man Contractor fall due in respect of a Contract duly approved in the manner indicated in para 5 above, the licensee should promptly arrange to collect the following documents and forward the same direct to the Chief Accounting Officer (C.A.O.). High Commission of India, 55 Jermun Street, London, for arranging necessary payments to the supplier out of the U.K. Credit:—
 - (i) Two copies of the original invoice of the concerned U.K., Channel Islands or the Isle of Man Contractor or three photostat copies or duplicates of such invoice, duly signed by the supplier;
 - (ii) A specific authority from the importer to the C.A.O.. High Commission of India, London authorising him to make payment of the said invoice;
 - (iii) Two copies of a "Payment Certificate" in respect of each invoice from the concerned U.K., Channel Islands or the Isle of Man Contractor IN THE FORM ATTACHED (APPENDIX III); and
 - (iv) Evidence in the form of Treasury Challan that rupee equivalent of the sterling amount to be paid to the U.K., Channel Islands or Isle of Man Contractor has already been deposited into the Govt. of India's account in the Reserve Bank/State Bank/Government Treasury. The rupee equivalent should be calculated at the rate of Rs. 18.18 per £ sterling and the head of account to which the rupees are to be deposited will be "Section T—Deposits and Advances—Part II Deposits—Deposit not

bearing interest—C. Other Deposits account—Civil Deposits—Deposits for Purchases abroad—Purchases under U.K./India Non-Project Loan Agreement of £7 Million (Fifth kipping Loan of £5 million.)". In the Treasury Challan, The Accountant General Central Revenue, New Delhi, should be shown as the Accounts Officer who will adjust the Credit.

- Notes: 1. In case where rupee deposits are made outside Delhi/New Delhi one copy of the Treasury Challan should also be forwarded to the Accountant General Central Revenue, New Delhi
 - 2. It should be noted very carefully that the Exchange rate indicated above is the prevailing composite rate of exchange and any change in the same, as and when decided upon by the Govt. of India will be notified to the importers.
 - While forwarding these documents, the number and date of the letter of C.A O. High Commission of India, London, advising contract approval of the U.K. Govt should be indicated in the forwarding letter.

The Chief Accounting Officer, High Commission of India, London, will arrange to make payments accordingly to the UK, Channel Islands or the Isle of Man Contractor and advise the licensee and Economic Ald Accounts Section in the Deptt. of Economic Affairs of the Ministry of Finance of the same.

- 7 Special and Important Conditions.—(1) As payments to U.K., Channel Islands or Isle of Man Suppliers are dependent upon timely submission of the above mentioned documents to the Chief Accounting Officer. High Commission of India, London, it is very necessary that these documents are collected and submitted in complete shape to the Ministry of Finance or to the Chief Accounting Officer as the case may be, with the utmost expedition, so that the Suppliers may be paid promptly and are not put to any difficulty on this account. All possible steps, including such special steps as may be deemed neressary, should be taken in this regard to follow promptly and carefully the detailed procedure set out above so as to eliminate all delays in making payments to Suppliers. Although necessary steps are already being taken to arrange expeditious approval of the U.K. Govt. to the contracts filed with them, the whole process takes about 4 to 5 weeks from the receipt of documents in the Deptt of Economic Affairs as the papers have to pass through various stages from here to London and way back. Therefore, the importers should try to submit their papers at the earliest, and make enquiries from the Deptt of Economic Affairs only in cases when they do not receive intimations of Contract Approval from London within a month of submission of the documents.
- (2) With reference to item 6 above, it is clarified that as payments to the contractors would fall due only upon shipment of the goods, the documents referred to therein should be collected only after the goods have been shipped by the foreign shippers. Thus in the contracts placed with the suppliers it can be stipulated that one set of documents—copies of the original invoices, the "Payment Certificate" in the prescribed form and also one copy of the Ocean Bill of Lading should be airmailed to the importer in India direct without delay to enable the latter to arrange payments through the C.A.O., London, after making necessary rupee deposits in favour of the Govt. For this purpose copies of the invoices and Bill of Lading will suffice and the original shipping documents are not required. The original shipping documents should, therefore, be arranged to be collected by the importer from the shippers directly so as to enable them to take delivery of the goods. If necessary, and where the U.K. Suppliers so insist, the importer can make arrangements with the U.K. suppliers for receiving original shipping documents though an Indian Bank to be released to the importer against proof of deposit of the rupee equivalents of the invoice value and of transmission of those documents to the C.A.O., London for making payments to the U.K. Suppliers out of the U.K. Credit. This arrangement will serve as a sufficient guarantee of payment to the U.K. Suppliers at the time of release of original shipping documents. In cases where the U.K. Suppliers require a Bank Guarantee by the importers, the latter may furnish such a guarantee from his banker (in the specimen form indicated in Appendix IV) and forward it to their suppliers at the time of conclusion of their purchase orders with them. This bank guarantee will be issued by the importers' bank (any authorised dealer in foreign exchange) guaranteeing that within the specified period of 7 days after the receipt of shioping documents, they shall arrange to deposit the necessary rupee

It is clarified that the above mentioned Bank Guarantee is not obligatory in all cases, but is to be executed only in those cases where the suppliers require the same. Further the guarantee is to be given by the importers direct to their suppliers (at the time of placing orders) and not to the Government of India.

- 8. Refund from U.K. Suppliers.—If any money is received by the licensee from the U.K. Supplier or a guaranter as a refund then the same should be reported to Shri P. C. Jain, Assistant Accounts Officer, Department of Economic Affairs, Ministry of Finance, Jeewan Deep Building, Parliament Street, New Delhi, with a copy to the Ministry of Industrial Development and Company Affairs, (Deptt. of Industrial Development, Foreign Exchange Section), Udyog Bhavan, New Delhi-11.
- 9. The licensee should apprise the supplier of any special provision in the import licence which may affect the suppliers in carrying out the transaction.
- 10. It should be understood that the Government of India will not undertake any responsibility for disputes, if any, that may arise between the licensee and suppliers
- 11. The licensee shall promptly comply with any directions, instructions or orders issued by the Government regarding any and all matters of ing from or pertaining to the import licence and for meeting all obligations unler the credit agreement
- 12. Breach or Viol t on $-\Delta m$. Breach or violation of conditions set forth in the above clauses will τ of in appropriate action under the Imports and Fronts (Control) Act.

APPENDIX 1

NOTIFICATION OF CONTRACT

United Kingdom/India Non-project I van. 1967

To

The Ministry of Overseas Development, Fland House.
Stage Place,
London, S.W.I.

Notification of Contract No ---

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above losin

- 1 Name and address of U.K. Contractor.
- 2. Date of Contract.
- 3 Name of Indian purchaser.
- 4 Short description of goods and/or works or services:
- 5. Value of Contract
- 6 Terms of payment
- 7. Import Licence No. & Date:

Signed	οn	behalf	of	importer	-
					_
Date -					

APPENDIX II

United Kingdom/India Non-project Loan, 1967

CONTRACT CERTIFICATE

Particulars of Contract

ι.	Date of contract	Contractor Number	Import lincence D Number	ate
2.	Description of goods works and services to be supplied to the purplies.	United Kingdom Origin	Non-United Kingdom O	rigin
3.	Total (Estimated) con- tract price payable by Purchaser	Sterling	Other currency, if any.	
4.	Estimated amounts if any, paid or to be paid by the contractor in respect of goods or services of non-United Kingdom origin procured or to be procured by the Contractor for the purposes of the contract.	Amount In respect of non-United Kingdom goods and services. (a) Goods or materials. (b) Work to be done or services performed a Purchaser's Country (c) Know-how. (d) Plans, designs and technical document tion. (e) Other services.		

5 I hereby declare that I am employed in the U.K. by the Contractor named below and have the authority to sign this certificate on behalf of the Contractor named below. I hereby undertake that in performance of the Contract, no goods or solvices which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraph 4 above.

Signed
Position held.
For and on behalf of
(Name and address of Contractor ————————————————————————————————————
Date.

Norr.—For the purposes of this declaration the United Kingdom includes the Channel Islands and the Isle of Man

APPENDIX III

United Kingdom/India Non-Project Loan, 1967

PAYMENT CERTIFICATE

T	hereby	certify	that-

(f) the payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are to be made in respect of Contract No ______ dated _____ between the contractor named below and _____ (Purchaser) ____ and are in accordance with the particulars of this contract notified in

the c		icate signed on beha		contractor on
Contractor's Invoice No.	Date -	Name and address of Contractor	Amount	Short description of goods works and/or services.
in re	spect of the	the above mentione non-United Kingdom e contract certificate	lgoods or s	following amounts ervices specified in
(a) £	(d)			
(b) £ (c) £	(e)	£		

(iii) apart from the amounts specified in paragraph (ii) all the amounts specified in paragraph (i) are payable in respect of goods and services of United Kingdom origin.

(14) I have the authority to sign this certificate on behalf of the Contractor named below.

		Position held	
		for and on behalf of	
Name	and	address of Contractor	
		Date	

Note. For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

APPENDIX IV

FORM OF BANK GUARANTEE

Τo

(Suppliers name and address)

hereinafter called 'Suppliers', In consideration of M/s. having agreed to ship goods as described in the contract bearing No. between the said suppliers and M/s. concluded on hereinafter referred to as 'importers', without insisting upon prior opening of a letter of credit, we.

as bankers to the said importers, hereby letter of credit, we. guarantee as follows:

As and when payments fall due to the suppliers' under the said contract, the suppliers should forward original shipping documents including invoices and Bills of Lading to us for transmission to importers. On receipt of such documents, we shall arrange to deposit within 7 days thereafter the rupee equivalent of the invoiced amount into the account of the Govt. of India with the R.B.I./S.B.I./Govt Treasury under the head of account indicated in para No. 6(iv) of the licensing conditions for U.K. India Non-Project Loan 1967. The deposit will be made at the rate of Rs. 18.18 per £ Sterling. We shall also arrange to forward within 7 days of the making of the deposit the relative documents and the treasury challan evidencing the said deposit to the Chief Accounting Officer, High Commission of India, 55, Jermyn Street, London for arranging payments in pound sterling to the above mentioned suppliers.

We agree and undertake not to release the original documents (invoice and Bill of Lading) to the importers until the deposit as aforementioned is made into the Govt. Account.

We agree and undertake not to revoke this Guarantee unilaterally during its currency

The Guarantee contained herein shall not be affected by any change in the constitution of the said importers or our bank.

Our liability under this guarantee shall not exceed Rs. ----

This guarantee will remain valid upto _____. If no action is brought against us within a period of one year from the date of explry of this guarantee, we shall stand released from all liabilities under this guarantee.

Place

Signature of the authorised officer

Date:

of the Bank and Bank's full address.

- Note 1. The rate of exchange adopted for calculation of rupee equivalent is the present composite rate which is subject to change as , and when notified by Govt.
 - 2 The Bank Guarantee is to be executed on a non-judicial stamp paper, the value of stamp being adjudicated by the Collector of Stamps in accordance with the provisions of Section 31 of Indian Stamp Act, 1899
 - The period of validity of the guarantee should be as negotiated between the supplier and the importer to suit individual circumstances.
 - 4 In case the importers/bank fulfil their obligations under this guarantee earlier than the validity date or other circumstances prevail under which the necessity for this guarantee no longer exists, it is open to the importer/bank, with the concurrence from the supplier obtained in writing to have the guarantee released at any time earlier than the expiry of the guarantee.

P. D. KASBEKAR, Chief Controller of Imports & Exports.